



WISCONSIN

DEPARTMENT OF WORKFORCE DEVELOPMENT

Division of Workforce Solutions
Bureau of Workforce Programs

**TO: Economic Support Supervisors
Economic Support Lead Workers
Training Staff
Child Care Coordinators
W-2 Agencies**

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BWP OPERATIONS MEMO

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Non W-2 ☒ **W-2** ☐ **CC** ☐

PRIORITY: High

SUBJECT: MEDICAID DEDUCTIBLE BEGIN DATE

CROSS REFERENCE: MA Handbook, 20.0.0

EFFECTIVE DATE: January 1, 2002

PURPOSE

This Operations Memo describes changes in the Medicaid deductible begin date policy and process.

BACKGROUND

When a Medicaid applicant is ineligible for Medicaid solely because s/he has income that exceeds the Medicaid medically needy income limit, s/he can become eligible by meeting the Medicaid deductible. The Medicaid deductible amount is the total of the group's excess monthly income over the six consecutive months of the Medicaid deductible period. "Meeting the Medicaid deductible" means incurring medical costs equal to the dollar amount of the deductible or prepaying the amount of the deductible.

OLD POLICY

If a client prepays his/her deductible, eligibility begins on the date the entire deductible amount is paid/received by the local agency, but not earlier than the first date of the deductible period.

NEW POLICY

If a client pays his/her deductible in full at any point during the deductible period, eligibility begins on the first date of the deductible period.

Example: Laura's deductible period is from March 1st through August 31st. The total deductible amount is \$1000. Laura submits payment of \$1000 on August 15th. Laura's Medicaid eligibility begins on March 1st.

If the deductible is met through a combination of payment and incurred medical expenses, count the incurred medical expense first. Eligibility, by paying the remaining deductible amount, can begin no earlier than the last date of incurred medical expense within the deductible period.

Example: Chad's deductible period is from March 1st through August 31st. The total Medicaid deductible amount is \$1800. Chad submits a medical bill with a March 8th date of service for \$800. On July 15th, he submits payment of \$1000. Chad's MA eligibility begins March 8th. A Remaining Medicaid Deductible form (DES 3048) is submitted identifying the provider of service on March 8th and the \$800 remaining deductible amount.

If the deductible is met through a combination of prepayment and outstanding medical expenses (incurred prior to the beginning of the deductible period), eligibility begins on the first date of the deductible period.

Example: Roberta's deductible period is from March 1st through August 31st. The total Medicaid deductible amount is \$1500. She submits an outstanding bill from January 10th for \$500. On August 15th, she submits payment of \$1000. Roberta's MA eligibility begins March 1st.

PROCESS

Until CARES changes can be made, the date payment is received needs to be altered on CARES screen AGTM so that the MA eligibility begin date is correct.

IF A CLIENT SUBMITS PAYMENT FOR THE ENTIRE DEDUCTIBLE AMOUNT

Enter the first date of the deductible period on AGTM as the date the payment was received.

IF A CLIENT MEETS THE DEDUCTIBLE THROUGH A COMBINATION OF PAYMENT AND INCURRED EXPENSES

Enter the incurred medical expense first. Perform a PF23 sort. The remaining balance is the amount that can be paid to meet the deductible. On CARES screen AGTM, enter the payment date as the same date of the last incurred medical expense which equals the balance of the deductible. Complete and submit a Remaining Deductible Amount form (DES 3048) to EDS. Enter the deductible met date as the date of the last incurred medical expense. Enter the remaining deductible amount as the amount of the last incurred medical expense. This is the amount that equals the paid balance of the deductible.

***IF THE CLIENT MEETS THE DEDUCTIBLE THROUGH A COMBINATION OF PAYMENT AND
OUTSTANDING MEDICAL EXPENSES***

On CARES screen AGTM, enter the payment date as the first date of the deductible period.

CONTACTS

DES CARES Information and Problem Resolution Center

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Note: Email contacts are preferred. Thank you.